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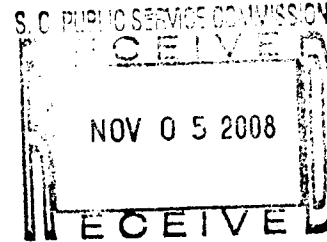
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November 3, 2008

Charles L.A. Terreni, Esquire
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, South Carolina 29210



Subject: Docket No. 1997-239-C Universal Service Fund Audit Results

Dear Mr. Terreni:

As required by the South Carolina Public Commission Order No. 2001-996, the Office of Regulatory Staff contracted with an independent third-party auditor, Scott McElveen, L.L.P., to conduct an annual audit of the financial statements of the South Carolina Intrastate Universal Service Fund. The audit for the period January 1, 2007 through December 31, 2007 has recently been completed. The results of this audit are enclosed and are also available on the Office of Regulatory Staff web site at www.regulatorystaff.sc.gov.

Sincerely,

Dawn M. Hippie
Director

Enclosure